

CITY OF LAS VEGAS

RENEWAL EXHIBIT

12044349

Renewal Date:

January 1, 2008

Self-funded VSP Program

Renewal Contract Term:

24 Months

Number Covered:

2,348

Average Claims Amount (ACA):

\$ 137.27

Inflation (INF): Year 1
Year 2

1.0%
0.5%

Reserve Establishment for Incurred but
not Reported Claims (RES):

0%

Retention (RET):

11.5%

Paid Frequency (PF):

67.00 Claims per 1,000 employees

Current Revenue per Member (REV/MBR):

\$ 1.23

Renewal Formula

ACA	x	(1 + INF)	x	PF	=	Clm Amt	RET	Admin Fee	/	REV/MBR	=	GUARANTEE
								(Clm Amt / (1-RET)) - Clm Amt				
\$137.27	x	1.015	x	0.067	=	\$9.34	0.115	\$1.21	/	\$1.23	=	0.0%

Service Profile

% of Patients Seeing In-Network Providers:	95%
% of Patients Seeing Out-of-Network Providers:	5%

Service Percentages

Eye Examination Only:	32%
Receiving Materials:	68%
Single Vision Lenses:*	45%
Bifocal Lenses:*	30%
Trifocal Lenses:*	4%
Elective Contact Lenses:*	21%
Frame:	60%

* Equals 100% of claims with materials dispensed

Last Twelve Months ending:

Apr-07